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1992/11/25

ROUTINE

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EAP/L CARDS CENTER

INCOMING

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INFO: K (04) CM (03) EAP (04) P (01) RA (01) EP (02)
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ACTION INR-01

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USIA WASHINGTON DC//B/VOA//DEPARTMENT OF STATE

IG/FPC/CDR

Date: 10/22/93

CDR USARPAC FT SHAFTER HI//
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MR Cases Only:
LO Citations

UNCLAS 4D

() DECLASSIFY
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TS authority to:
() CLASSIFY as () S or () C OADR
() DOWNGRADE TS to () S or () C OADR

SERIAL: SK2511024692

COUNTRY: ROK
SUBJ: SEMICONDUCTOR INDUSTRY 'UNEASY' OVER PRC MOVES IN MARKET

SOURCE: SEOUL YONHAP IN ENGLISH 0101 GMT 25 NOV 92
TEXT:

((TEXT)) SEOUL, NOV. 25 (YONHAP) -- SOUTH KOREAN SEMICONDUCTOR
MANUFACTURERS ARE UNEASY AT CHINA'S MOVES TO BUY LARGE AMOUNTS OF

SEMICONDUCTOR MANUFACTURING EQUIPMENT FROM THE UNITED STATES OVER
THE NEXT TWO TO THREE YEARS.

INDUSTRY SOURCES SAID THAT CHINA'S PLAN TO PURCHASE 2 BILLION U.
S. DOLLARS OF SEMICONDUCTOR MANUFACTURING EQUIPMENT WAS CONFIRMED AT
THE INTERNATIONAL SEMICONDUCTOR CONFERENCE IN AUSTIN, TEXAS, LAST
WEEK.

CHINA SENT THREE BUYING TEAMS TO AMERICA IN EARLY NOVEMBER AND IT
IS UNKNOWN IF THEY SIGNED CONTRACTS.

EVEN THOUGH CHINA LAGS 10 YEARS BEHIND KOREA IN SEMICONDUCTOR
TECHNOLOGY, IT HAS HIGHLY DEVELOPED BASIC SCIENCE AND RECORDED HIGH
ECONOMIC GROWTH IN RECENT YEARS. CHINA COULD BE A MAJOR
SEMICONDUCTOR EXPORTING COUNTRY WITHIN A DECADE, THE SOURCES SAID.

CHINA HAS A HUGE TRADE SURPLUS WITH THE UNITED STATES AND ENOUGH
MONEY TO SHOP FOR THE BEST TECHNOLOGY. IF CHINA MAKES SEMICONDUCTOR
PRODUCTS WITH THE IMPORTED EQUIPMENT, THE KOREAN SEMICONDUCTOR
INDUSTRY WILL BE THREATENED, THEY SAID.

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